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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK
Case No. 05-44481

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In the Matter of:

DELPHI CORPORATION, ET AL.,

Debtor.

- - - - -x

United States Bankruptcy Court
One Bowling Green
New York, New York

April 27, 2007
10:04 AM

B E F O R E:

HON. ROBERT D. DRAIN
U.S. BANKRUPTCY JUDGE

HEARING re Notice of Agenda of Uncontested Matters

Transcribed by: Lisa Bar-Leib

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1 P R O C E E D I N G S

2 THE COURT: Please be seated. Okay. This is Delphi?

3 MR. LYONS: This is. Good morning, Your Honor. John
4 Lyons on behalf of the debtors and I have here with me Mr. Dean
5 Unrue, the claims administrator for Delphi. Also Mr. Matz and
6 Sarah Platt who you haven't seen yet who's also one of those
7 working behind the scenes, Your Honor, who's led to the
8 smoothness of the process --

9 THE COURT: Okay.

10 MR. LYONS: -- in settling a lot of claims. Your
11 Honor, as we'd like to do once a month, we'd like to hand up an
12 updated chart to show where we are.

13 THE COURT: Okay. Thanks.

14 MR. LYONS: And again, the chart shows some
15 additional progress. In particular, it shows the latest round
16 of omnibus objections which we filed or we will file today, 12
17 and 13, that shows we have some additional claims that are into
18 the process. We've also made progress on the various omnibus
19 objections, as Your Honor knows, by signing a lot of the
20 stipulations and orders.

21 You know, basically, stepping back from what's not on
22 the chart, we have about 1500 claims that have yet to be put on
23 omnibus hearings of the claims that we think are going to be
24 resolved through this process. You know, obviously, there are
25 thousands of claims that we think are going to be resolved

1 under the plan, you know, claims for retirement benefits and of
2 the like. But this will give you a snapshot of where we are
3 right now. And the bottom line shows that there are about 570
4 million in claims that are right now in the procedures and a
5 great bulk of those will probably be removed after the return
6 date on Omnibus 12 and Omnibus 13 on May 31st. So here's where
7 we are.

8 Your Honor, without further ado, I would turn to the
9 agenda. I think this is going to be a very short hearing since
10 there are no contested matters.

11 THE COURT: Okay. That's fine.

12 MR. LYONS: First of all, a housekeeping matter.
13 We're mindful of Your Honor's comments at the last hearing and
14 we are going to file a motion to supplement the settlement
15 procedures to make it crystal clear that when we negotiate and
16 compromise claims that we have the authority to allow it in a
17 particular estate against a particular debt.

18 THE COURT: Yeah. I just thought as a matter of
19 notice, you may want to make that a little clearer than it was.

20 MR. LYONS: And we will. And so that will be
21 returnable on the May 31st omnibus hearing.

22 THE COURT: Okay.

23 MR. LYONS: So that is coming down the pipeline.

24 Okay. To the agenda. First of all, Your Honor, on
25 item number 1, we are continuing the hearing of HE Services,

1 Robert Backie and Richard James by consent of the parties and
2 again, that's going to be adjourned to the June 22nd claims
3 hearing. Likely, that one will require a lot of discovery and
4 we've been working with counsel to adjust the procedures to fit
5 the facts of that case. So there will be additional work
6 between now and June 22nd on that claim.

7 THE COURT: Okay. Do you think you'll need any sort
8 of pre-hearing conference before the actual hearing?

9 MR. LYONS: It's possible.

10 THE COURT: All right.

11 MR. LYONS: You know, right now we're working
12 consensually to enlarge the number of depositions by agreement
13 of the parties but we'll see. We're still --

14 THE COURT: Okay. I'm not saying you should have one
15 but what I'd like you to do though is to remind the claimant's
16 counsel that I want to have exhibit binders, preferable a joint
17 exhibit binder, but if that's not convenient, exhibit binders.
18 That I generally will take a declaration or affidavit or a
19 proffer for direct testimony and have cross-examination and
20 obviously follow-up by the party offering the witness. And I
21 will take deposition testimony but the parties need to
22 highlight it. And it's useful to bring it to my attention by
23 either filing it before the hearing -- if there's going to be a
24 lot of reliance on it, to file it before the hearing, highlight
25 it, or to just briefly walk through it during the hearing. And

1 the last point is that if there are going to be evidentiary
2 issues, you know, exhibits that are objected to, and the
3 parties can't work those out, you should give me -- I guess,
4 probably in a letter or at least be prepared to raise the point
5 at the start of the hearing whether there are issues that I
6 need to go back and look at cases on.

7 MR. LYONS: Very good. And --

8 THE COURT: I mean, those are things you guys have
9 been doing. I just want to make sure that the Backie people
10 understand the same ground rules.

11 MR. LYONS: I anticipate we'd follow -- try to follow
12 the same methodology that we did with the Reno case, which had
13 the joint exhibit binders.

14 THE COURT: Right.

15 MR. LYONS: And also under the procedures we have the
16 supplemental brief which amends the prior brief. So that's the
17 only brief Your Honor will really have to look at --

18 THE COURT: Right.

19 MR. LYONS: -- which will be inclusive of also the
20 discovery that's been undertaken, too.

21 THE COURT: Okay.

22 MR. LYONS: So we'll strive to do that.

23 THE COURT: Okay. That's fine.

24 MR. LYONS: Okay. Item number 2 on the agenda, Your
25 Honor, is the claim of Iba Gorlick. This is the one that I

1 thought may go forward on a contested basis. Cooler has it
2 prevailed and we'd settle that. But that claim asserted an
3 amount of 1.3 million and change against DAS LLC. The parties
4 agree to settle it for 200,000 against Delphi Automotive
5 Systems, LLC. We will submit the stipulation, Your Honor,
6 after the hearing for Your Honor's consideration.

7 THE COURT: Okay. Was that a discrimination -- I
8 forget what that one was.

9 MR. LYONS: That was a -- it was actually a default
10 judgment that was entered on, I believe, an age discrimination
11 claim.

12 THE COURT: Okay.

13 MR. LYONS: And there were issues concerning the
14 default judgment. So that matter is settled.

15 THE COURT: Okay.

16 MR. LYONS: Item number 3 is the claim objection
17 hearing regarding Cherry GMBH. In that claim, Cherry asserted
18 a claim of 4.7 million and change. The parties have reached a
19 settlement in principle. Cherry has agreed to waive a 3.4
20 million dollar breach of contract claim. The parties have also
21 reconciled the other components of Cherry's claim and proposed
22 to given a lot of general unsecured claim in the amount of
23 1,138,762 dollars and change to Cherry against the estate of
24 Delphi Automotives Systems, LLC recognizing that 161,000 of
25 that claim is a reclamation claim subject to a number of global

1 reserve defenses which we reserve with respect to all claims.
2 Most relevant would be whether the pre-petition lenders' liens
3 would negate the validity of any reclamation claims.

4 THE COURT: Okay.

5 MR. LYONS: So again, as soon as we get signatures,
6 we will submit that to Your Honor.

7 Finally, item number 4 is the claim of Wyoming
8 Michigan. They asserted a claim of 80,000 dollars and change
9 against Delphi Corporation and the parties have agreed to
10 settle that at capped claim against Delphi Automotive Systems,
11 LLC at \$77,273.94 and that the other claim they had filed,
12 claim number 3, 3972, would be disallowed and expunged. And we
13 have that stipulation which we'll submit after the hearing.

14 THE COURT: Okay.

15 MR. LYONS: So, Your Honor, that is it. Just --
16 that's it for this hearing but just to give Your Honor -- just
17 an idea of what's coming forward, we have the May 10th omnibus
18 hearing where we do have a number of matters, one may be
19 contested. And then we have the May 24th claims hearing.
20 That's a week before the June 1st claims hearing. We may
21 request to combine claims hearing to either June 1st, 'cause
22 we're all going to be here for May 31st, a return date on the
23 settlement procedures as well as a couple of other settlements
24 which we think are in excess of our authority. So we'll let
25 Your Honor know if we need the May 24th date.

1 THE COURT: Okay. That's great. If you don't need
2 it, that's good.

3 MR. LYONS: And that's all I have, Your Honor.

4 THE COURT: Okay. Thank you.

5 MR. LYONS: Thank you.

6 (Whereupon these proceedings were concluded at 10:13
7 a.m.)

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C E R T I F I C A T I O N

I Lisa Bar-Leib, court approved transcriber, certify that the foregoing is a correct transcript from the official electronic sound recording of the proceedings in the above-entitled matter.

April 28, 2007

Signature of Transcriber

Date

Lisa Bar-Leib

typed or printed name

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